

"(5) STATE.—Except as otherwise specifically provided, the term "State" means the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa."

(b) GRANTS TO OUTLYING AREAS.—Section 1108 (42 U.S.C. 1308) is amended—

- (1) by striking subsections (d) and (e);
- (2) by redesignating subsection (c) as subsection (f); and
- (3) by striking all that precedes subsection (c) and inserting the following:

SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE VIRGIN ISLANDS, GUAM, AND AMERICAN SAMOA; LIMITATION ON TOTAL PAYMENTS.

"(a) LIMITATION ON TOTAL PAYMENTS TO EACH TERRITORY.—Notwithstanding any other provision of this Act, the total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, under parts A and E of title IV, and under subsection (b) of this section, for payment to any territory for a fiscal year shall not exceed the ceiling amount for the fiscal year, the territory

"(b) ENTITLEMENT TO MATCHING GRANT.—

"(1) IN GENERAL.—Each territory shall be entitled to receive from the Secretary for each fiscal year a grant in an amount equal to 75 percent of the amount (if any) by which

"(A) the total expenditures of the territory during the fiscal year under the territory programs funded under parts A and E of title IV; exceeds

"(B) the sum of—

"(i) the amount of the family assistance grant payable to the territory without regard to section 409; and

"(ii) the total amount expended by the territory during fiscal year 1995 pursuant to parts A and F of title IV (as so in effect), other than for child care.

"(2) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1997 through 2002, such sums as are necessary for grants under this paragraph.

"(c) DEFINITIONS.—As used in this section:

"(1) TERRITORY.—The term territory means Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(2) CEILING AMOUNT.—The term ceiling amount means, with respect to a territory and a fiscal year, the mandatory ceiling amount with respect to the territory reduced for the fiscal year in accordance with subsection (e), and reduced by the amount of any penalty imposed on the territory under any provision of law specified in subsection (a) during the fiscal year.

"(3) FAMILY ASSISTANCE GRANT.—The term family assistance grant has the meaning given such term by section 403(a)(XB).

"(4) MANDATORY CEILING AMOUNT.—The term mandatory ceiling amount means—

"(A) \$107,255,000 with respect to Puerto Rico;

"(B) \$4,686,000 with respect to Guam;